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Premise

1. Features of Crisis

The debate preparing the way for the Assembly of General Councils and Delegates--almost 3 years after the Assembly of the EUR [Labor Union Headquarters]--is the political instance where the labor union intends to redefine and spell out its own strategy line with respect to the employers, the institutions, and society in order to come to grips on this basis with the country's medium-term development choices.

The economic policy reflection of the labor union springs from the observation--confirmed throughout the experience of the past several years--of the structural nature of the crisis besetting the country's production system. On the worldwide level, the general slowdown of development, which struck all of the industrialized countries, is the reflection of vast changes that have taken place in the rates of exchange, in the relationships between the various parts of the world, and in the balances among the classes and the states, while the accentuation of international economic tensions increases and spreads the danger of war.

For these reasons, the component phenomena of the Italian situation (shortages in agriculture and food, chemical industry and steel industry; the auto industry crisis which affects areas beyond that sector; the growing gap between the North and the South; the loss of market shares both in the advanced sectors and the traditional sectors) are only the emergence of one basic fact of life: the overall and increasingly evident inadequacy of the traditional development model for guaranteeing--under the new conditions of domestic and international economy--economic growth by overcoming the inflationary and recession seesaw. Continuity and stability of growth therefore must be sought through structural efforts along a line of conversion and innovation, based on a profound reform of government instruments regarding the economy, the creation of a broad social consensus involving the choice of economic planning which is a political instrument of guiding the production system, the upgrading of the instances and instruments of worker participation in development decisions.

In this sense, converting the development model means making democracy grow.

2. Employers' Attack Strategy

Because of its characteristic features, the crisis has a harsh effect on the central objectives of the Italian labor movement--full employment and the South--and aggravates labor union relations. With respect to the crisis, especially where the strategic alternative of the labor union does not fully emerge, the employers are trying to rebalance the economic system by pushing labor costs down per employee unit, attacking the wage protection instruments (sliding scale) in trying to deal with inflation, managing the mobility processes beyond any policy of production system reorganization and increasing the areas of unemployment, demanding indiscriminate funding and welfare policies which are degrading to the workers and which only waste resources.

From the employers thus springs an attack upon the labor unions and the workers, of which the challenge at Fiat was a significant expression. It, as a matter of fact, tried to upset the power relationships which had been built on the basis of the gains of the workers and to solve the complex problems of the group's crisis and its reorganizations through a drastic reduction in employment. The plan for restoring the unilateral management of reorganization processes did not go through. However, this dispute clearly tells the labor union and the workers that the statement and specific handling of disputes must firmly avoid any split between reorganization management procedures and the defense of worker status, forcefully launching the union's commitment toward the strategic topics of industrial policy, bringing out not only the worker category interests but the interests of the entire collectivity regarding the conversion of the planned production apparatus with the accent on reform. This is the choice of the labor union with respect to the way proposed by the employers in the crisis which in substance is a way of rejecting an economic planning policy that would tackle the real problems of placing the country's entire production machinery within the requirements springing from the international division of labor, from the growing gap between North and South, from the unfulfilled job demands coming from the vast number of unemployed. This is precisely why this is a way that is dangerous to democracy because it jeopardizes not only the labor union gains of the past decade but also the prospects for the country's democratic development.

Hence the importance of the way the stakes are set up in the social clash and in the political confrontation to which the union is committed.

3. Judgment on Government's Action

The government's economic policy action so far has essentially been moving on the level of efforts connected with the ups and downs of the business cycle, hence, not in line with the need for going after the real structural causes of the Italian crisis through coordinated medium-term efforts. Indeed, the government's deficit has gone down but transfer payments from the government to the enterprises went up, beyond the instruments and instances of direction and control over production conversion; in the absence of economic planning policies, the administration has been fighting inflation by not attacking the distortions developing around the price formation mechanisms but through a tight money and credit policy which causes recession and unemployment. It is therefore urgent and necessary to spell out a framework of government economic policy planning within which the action designed to cope with the overall economic situation would be tied in with medium-term undertakings aimed at the restoration and development of the country's economic and production structure with a view toward employment.

The action by the United Federation however has produced significant results for the workers concerning family allowances, taxation, and some other bothersome issues of public employment; a beginning has been made toward tackling the entire issue at the points of most acute crisis although in a still partial fashion. We avoided the risk of new authoritarian intervention regarding the cost of labor.

The document issued by the preceding administration for the medium-term plan might be said to summarize the structural characteristics of the crisis but avoids a definition of objectives and has nothing to say on the allocation of the necessary resources, starting with the most urgent problems of the structural and program

framework: points of crisis, agriculture, taxation, energy, reform of public administration, retirement pay, in other words, problems on which the administration's effort to cope with the economic situation reveals very slow procedures and delays, with the subsequent effect of shifting the burdens of the production system's adjustment to the real wages and the living conditions of the workers. Besides, the South and the serious sector crises are not mentioned here as decisive causes of inflation.

What we thus get from this preliminary document is a definite lack of coherence between the identification of the structural objectives of economic planning and the indication of the essentially business-cycle-oriented means (money and credit handling) in order to attain them, as would be indicated in the light of acritical trust, not proven by the facts, regarding the spontaneity of the development process for which it would be sufficient to act upon real wages in order to determine conditions for the revival of the economy, based on the pure and simple recovery of profits.

These criticisms clarify the line of commitment charted by the labor union regarding active participation in the definition of the medium-term plan, ruling out the possibility that such participation might assume the characteristics of a corporative and developing a confrontation which above all must be aimed at putting together and modifying the options contained in the preliminary document in order to translate them into structural development choices coherent with the priorities and the structural objectives of the labor unions for the medium-term management of the national economy.

The above-announced intentions of the new administration's economic program do not differ significantly from those of the preceding administration. In particular, regarding economic policy action, there are no indications of priority now, just as there were none in the past.

It is the declared objective of the administration's economic problem to safeguard Italy's position within the Western countries, for this purpose pursuing a rigorous policy of reducing inflation, plus an economic policy that would not be divorced from launching structural policies.

But the United Federation believes that this economic strategy is insufficient when it comes to attaining the desired objectives if the complex of actions, by which it must be characterized, is viewed from the angle of working primarily to restore the profit margins of the enterprises by holding real wages down, out of the conviction that this is a necessary and sufficient condition for recovery.

The labor union is convinced that this prescription will not guarantee greater investments and more jobs and therefore asks the administration to address itself again to the definition of the structural outlines for economic adjustment around which one can organize all of the actions and undertakings aimed at medium-term national economic planning.

The basic problem which thus faces the labor union is not only the limit of economic policy within the context of the business cycle, to be resolved through a medium-term program, nor the inadequacies of immediate action to be taken in connection with the most acute situations of crisis and economic imbalance. There is a

lasting and serious gap between expectations regarding employment, skill labor, the civil process of the workers, between the subsequent need for profoundly innovating programs which would respond to that, and current economic policy as well as the promises of economic planning itself. Thus the workers do not detect any indication of prospects of a restoration and transformation of the economy, nor of growth in democracy based on worker participation. It is particularly in the South that this vast gap constitutes a heavy burden on the people and the institutions.

The labor union views the response to this situation in looking forward to a renewed strategy of profound changes and the specific and autonomous role of the labor union is strengthened in this context. Naturally, in view of the dimension of present and future problems, one cannot presume any self-sufficiency on the part of the labor union. The distinction among the roles of each subject in the country's social and institutional pluralism therefore involves the ability to promote complex ways of behavior and revitalized strategies of change on the part of all of the political subjects. This brings us back to a topic taken up at other times in the past, the topic of an evolution of all of the relationships that characterize the political framework and the indispensable dynamic nature of the political system today burdened down by heavy factors of rigidity.

In view of the government formulas, the labor union stresses its own position of not assuming a prejudicial opposition or consensus but simply arriving at its own autonomous judgment of the content and choices of the administration and its subsequent operations.

The labor union furthermore reasserts the demand that fundamental factors of solidarity among the political forces be asserted in view of the complex and also disquieting aspects of the Italian crisis, beginning with terrorism; it is aware that its autonomy objectively demands a more intensive and open relationship between the political forces and society.

Regarding the union movement's strategy, there is one basic fact which emerges and which all workers must pay attention to. The important thing is carefully to evaluate the scope and negative effects emerging from the gap between the quality and the dimension of the problems, on the one hand, and the political response and government, on the other hand.

In its action regarding the EUR platform, the union has tried but not succeeded in overcoming this gap and the situation today confirms this disparity and that remains the union's basic problem. It is therefore in the precise interest of the workers to maintain and develop the mass movements so that the quality of policy responses will be up to the serious present and future problems and to reaffirm the demand for the renewal of the political action which would provide a way out for the instances of change sustained by the labor union.

4. EUR Turnabout--Labor Union a Political Subject

Every aspect of the crisis reveals the inability of the leading classes to chart a development strategy and hence to come up with a clear program framework. There emerges a need for the involvement of new subjects in the handling of the economy. Without a strong union, which would participate in development, we will not get out of the crisis. The Italian labor union movement in recent years has come up as a

political subject, gradually moving from a demand and partial proposition posture toward a posture that is increasingly sensitive in terms of tying the demand platforms in with the country's major structural factors.

The authoritative nature of the labor union movement has thus grown but its decision-making power certainly has not yet grown and it remains with the traditional centers of private and public power.

Thesis A

The EUR Assembly (February 1978) demonstrated the full meaning of the labor union's responsibility toward the unemployed and the South through its decision to fight for an increase in productivity and the use of all resources, to make maximum use of the national income primarily so as to broaden the production bases by tying the wage demands in with those objective decisions.

The refusal of the employers' decision-making centers and the public decision-making centers to go along with that line was among the main causes of the deterioration in the economic and political crisis but did not persuade the labor union movement to change its basic line, even though subjective elements of weakness must be overcome.

The decision to intervene in the accumulation process, that is to say, in the creation and use of wealth, remains fundamental, otherwise there is a threat of internal division within labor and the danger of a loss of action power on the part of the labor union when it comes to the creation of more just social balances.

The union's action regarding accumulation--stressing more jobs and production upgrading--must be aimed at control and guidance through correct and efficient reforms of economic management by means of the instruments of economic democracy.

This choice is all the more necessary today in view of the crisis among the capitalist mechanisms, the free-enterprises choices and the current processes of accumulation which create elements of destabilization in the individual national economies.

Sufficient lessons have been learned from the explosion of the energy crisis to draw some final conclusions: the powerlessness and insufficiency of policies designed to cope with the ups and downs of the business cycle, even though these policies are getting more and more sophisticated; the inequity of policies aimed at handling unemployment and pushing real wages down in order to make room for profits; the powerlessness of the enterprise in guaranteeing today what was promised yesterday, that is, growth and jobs.

The following can be derived from this: (a) the need for concentrating every effort on structural action and planning, with the effort aimed at the economic situation becoming a complement of the former; (b) the need for placing the problems of accumulation at the very center; its formation and orientation are decisive for the structural effort to which the enterprise is no longer spontaneously attracted; (c) the need for consolidating the changes in the power relationships in favor of the workers, such as they have taken place in Italian society.

Last but not least, it appears clear that the necessary economic interlocking relationship between the economies of the developed countries is not sufficient to tackle

the long phase of transformation which is before us. Hence the need for launching a process of economic interlocking relationships with the developing countries (in their various setups). Hence the strategic importance of the North-South negotiations and the initial policy outlines indicated by the Brandt Commission.

This is why the consultation of the workers and the Assembly of General Councils and delegates must restate and specifically spell out the strategic choices of the EUR, put them together in the light of political and economic events in recent years, enrich them regarding the operational and demand instruments so as to make these strategic choices of the labor union the real yardstick for confrontation with the administration and with the employers on medium-term economic and production policy, at the same time closing gaps which have become manifest and which have favored the antireform opposition.

These gaps primarily relate to a labor union approach to the problems of economic planning which is as yet incorrect, insufficiently qualitative, and not incisive especially regarding the essential matter of spending, effective and planned spending, of financing obtained through the first planning and reform laws. The mobilization of this tremendous programmed spending volume—capable of helping switch the demand from consumption to investments, causing private investments which would mean jobs in the end—has not been made the central and outstanding topic of all struggles with the necessary obstinacy and tenacity.

This incorrect approach on the part of labor union action toward economic planning can also be explained by the statement of planning decisions made so far which did not spring from resources and from accumulation but rather from the redistribution of the national income and which therefore placed the South in a residual role and considered conversion to be a simple sector factor.

This brings up the need for a regular revival of economic planning, such as it has been pursued so far, as well as a "political reform" of the planned undertaking which would be capable of acting upon the structural features of the development model crisis.

The labor union must more profoundly think about the limits of attaining the objectives of economic planning as proposed in the EUR platform. Obstacles in this sense consisted not only of the absence of a real and proper plan to fight for such objectives but also the insufficiency of the link between action for hiring and the struggle for economic planning. This is true above all because there has been a tendency to view the EUR simply as a key toward the moderation of demands, rather than a new quality in the demand policy line, in the context of a relative containment of wage demands. But above all this is so because there have been limitations on the development of a demand and hiring drive capable of proposing the problems of work quality and conditions, of the labor market, of skill levels, of the very issues of productivity, and therefore capable of exerting positive pressure on the objectives of economic planning itself.

This is also why the labor union has been having difficulty in involving, in its initiative, the new subjects of a struggle for work and development, consisting first of all of the women, the young people, who are outside the production effort.

But major gaps have also sprung up in another area: the area of industrial democracy and economic democracy, that is to say, the area of development of action and control strategy pursued by the labor union movement through the renewal of wage contracts during the last decade. The developments of control strategy above all involve the effective implementation of the "first part" of the contracts which, where concluded, make us consider the necessity--especially in the big enterprises and the public enterprises--of promoting further developments in the lively debate and in labor union experience.

The great experience of the conflicts among the big groups, which mostly ended with the assumption of investments in the South produced entirely partial successes and the formal results themselves were brought up for discussion again because the government authorities did not come up with a real sector and territorial planning policy.

Planned and socially controlled development thus, as the main road to be traveled by the labor union in order to intervene in economic planning and to draw new subjects into the democratic management of the economy--that is the issue. It is in this framework that "culture of crisis"--if it is not just to be a useless search for sterile shortcuts--must indicate a way out for that demand for social change which is today expressed loudly by labor and by the unemployed and which constitutes the central proving ground for the labor union.

In proposing the establishment of a "Solidarity Fund for the Workers of the South," financed by contributions from all employed workers, the United Federation intends to contribute to the greater articulation and efficiency of the instruments which the collectivity will have available in determining and implementing the country's economic and social development planning.

Thesis B

The social contract of the EUR has failed not only because of the maneuver of the conservative forces but also because of the weakness of a proposal which lined up the abstract design of a new economic policy against the concrete struggles of the workers which that struggle should have sustained. Worker conflicts constitute the fundamental instrument available to the labor unions in attaining its objectives of changing society, the change that makes Italian democracy live. The biggest limitation of the EUR sprang from the fact that it had weakened the organic relationship between the struggle and the objectives, between the workers and the labor union management, and besides it thus promoted the moderate counteroffensive of these past several years. This is a mistake which will not be repeated in the future. The representative nature and authoritativeness of the labor unions, in Italian society and in other societies, do not depend on their recognized position at the top of the institutional hierarchy but on their relationship with the workers.

It is necessary to reject a revival of the EUR based on the concept of a labor union which turns itself into a state of its own and which replaces the old objective of jobs and the South with the new objective of accumulation and productivity.

We are not facing here a crisis or an exhaustion of capitalism. The thing that is in crisis here is the type of exceptional capitalist development of the period of 30 years after World War II; the crisis involves the utopia of social market economy

and its impossible balance between the classes and the nation. The upheaval of the international market, where new processes of industrial and financial concentration are progressing, and a new geography of power do not demand of the labor union an impossible direct plea to restore the action and production mechanisms of 20 years ago; the labor union organizations which moved along those lines in Europe, by combining social contracts and corporative defense, were weakened and in some countries severely defeated.

5. Labor Union and Society

Because of the seriousness of the crisis and the broad range of change processes to be launched, the labor union movement must know how to express the direction of this process and of a proposal which other social strata can autonomously identify with.

What is under discussion in Italy as a matter of fact right now is a labor unionism which would be strong in defense of its interests, not just aimed at narrow worker categories, but which is a closed outfit and not yet open to such prospects. This is necessary in order fully to utilize the democratic nature and progressive vocation of Italian labor unionism suitable for triggering an expansion of democratic participation in society.

As a labor union it is therefore very important for us to reconfirm our action commitment toward the young people and the women and with the young people and the women. Their needs for finding jobs is tied in with a strong push toward a new quality of labor and of life which can find support from labor union policy aimed at asserting the conversion and upgrading of the entire production establishment. Innovation, technological advances, a new work organization, the revival of mass and community services, the elimination of discrimination factors especially in terms of job and skill growth--these in fact directly correspond to the increased cultural capacity of the young people and the women and to their heavy load of needs, that is to say, values and needs without whose assumption there cannot be any change.

Chapter I.

I. The Union's Demand Platform

1. Union's Objectives for Economic Conversion and Employment Growth

The structural crisis of the Italian economy which is expressed--as noted in the document submitted in July by the budget and planning minister--by the now chronic deficit of Italy's balance of trade; by the stagnation of production and services with a high technological and innovative content; by the growing weakness of the "traditional" sectors in which the bulk of investments has been concentrated in recent years; the rigidity of the production and distribution system; the distorted use of public spending and welfare efforts by the government--that remains the main source of the inflation process and the principal cause of employment stagnation. Attacking the root causes of inflation and unemployment consequently implies a planning policy aimed at changing the country's production bases and a profound reform of public spending management. What is involved here is a conversion of the national economy which--to bring about full utilization of the production forces at the base

and radically to improve the quality of work and life--calls for mobilization and great shifts of material and human energies and resources which only planning based on the expansion of the democratic participation of the workers can guarantee. This "political" reform of planning must therefore call for the creation of efficient instruments for running the economy and a broadening of the areas of democracy which would assure the effective consensus of all social forces involved.

For these essential reasons, the Italian movement cannot delude itself and it cannot delude the workers as to the possibilities of implementing an economic policy geared toward more jobs and the transformation of the southern regions that would not spring from the procurement of specific instruments of planning and that would not primarily be based on giving real action and control power to the workers and their organizations regarding the handling of the economy. Control by the workers and their organizations over the management of the economy cannot just boil down to formal consultation when it comes to drafting the general outlines of the plan. It appears indispensable for the union to go into action on various planning levels by exerting control over economy policy direction and actions in all of their phases of drafting and implementation in order to prevent the struggle and the quality and the coherence of worker demands from coming to naught. It is similarly indispensable to acquire more incisive forms of worker action regarding the decisions and choices of the enterprises in order concretely to influence the evolution of the production structures and the orientations of development.

For the Italian labor unions, the struggle to push through the adoption of a planning policy geared toward the development of employment and the qualitative transformation of work is inseparable from concrete demand drives aimed at improving the working conditions and wages of the workers, so as to influence the decisions of the enterprises in the matter of employment and investments through the quality and coherence of the demands. It is inseparable from the fight to win new instruments of power and action directly controlled by the workers in places of employment and in the territory.

Through this practice of autonomous and aggressive intervention in the direction of economic policy the union gradually acquired an awareness of the unpostponable need for a democratic renewal of the state and a consistent action of the workers for the effective democratization of economic management.

Some major reforms are therefore becoming the irreplaceable condition for imparting a new tilt to Italian economic policy in a useful confrontation between the labor union and the public institutions along the lines and objectives of democratic planning. These reforms must become the main objective of a grand fighting movement promoted by the union. They must become the fundamental target of the confrontation which the United Federation intends to have with the administration, with the elected assemblies and the democratic political forces. A drive aimed mostly at specific proposals would signify demanding the implementation of these reforms from outside instances and forces toward which instead one must systematically aim an effort in line with all of the objectives to be obtained.

2. Reform of State Participation Enterprise System

The system of State Participations constitutes a fundamental and irreplaceable instrument for a conversion and development policy particularly and mostly in the

South. What we therefore need is a profound revision of this action instrument. We need powerful financial backing capable of tackling the necessary restoration of enterprises with government participation, a gradual reduction of their indebtedness, the determination of investment programs within the context of sector and territorial programs, along with verification by parliament, the safeguarding of really economic operating procedures and efficiency in management, and the very definition of the action context as such.

Thesis A

But these choices presuppose the urgent need for implementing the decisions of the EUP according to which with the existing management agencies remaining in place and keeping in mind their multisector character--it is necessary to provide for a rearrangement and coordination in the form of compartments within which the following actions would be taken:

Sectors of the manufacturing, mining, and energy industry;

Banking sector;

Service sector.

The outfits could be shifted from one agency to another within this context.

Thesis B

But these choices presuppose urgent action on the decisions of the EUR according to which it is necessary to provide for a rearrangement of these agencies in the form of major compartments, while the multisector character of the management agencies themselves would remain in place. The current structure of the State Participation companies, the impermeability of their real decision-making centers in dealing with the individual enterprises and with the executive branch and parliament, the often welfare-oriented and patronage character of the decisions that led to a heterogeneous conglomeration of stockholder participation in the various management centers above and beyond any criterion of planning and management, the reluctance of the management agencies really to come to grips with the labor union movement regarding the strategic choices to be made in the various sectors--these constitute ever more difficult obstacles to be overcome in an effort to achieve the financial restoration of State Participations and their effective support for a policy of planned development. If the necessary financial restoration of enterprises with government participation is not to lead to further spread of resources, then it is necessary at the same time to launch some initial reform and reorganization measures. These measures must primarily involve the following:

The breakup of the EFIM [Manufacturing Industry Holding and Financial Company] and the assignment of control over its enterprises to the management agencies which operate in the same sectors or in sectors related to those in which EFIM is presently operating;

The transformation of the IR⁷ [Industrial Reconstruction Institute] by bringing out a management separation--and hence a separation of responsibility in dealing with

government agencies--between the sectors of the manufacturing industry, the banks, and the services. It is therefore necessary to create three separate multisector management agencies, each responsible to the administration and parliament for the conduct of the compartments assigned to them. For some of the big enterprises, which run services of national concern (civil aviation, telephone and telecommunications, air and maritime transport) it may be a good idea to transform them into autonomous public enterprises, subject to control by the directly competent ministries.

The agricultural and food management agency--which must coordinate the enterprises today under EPIM, IR-SME, and GEPI [Industrial Participations and Management Company]--will be established on a priority basis with headquarters in the South.

In this context we urgently need a coordination of activities in the agricultural and food sector in conjunction with planning in agriculture and the development of an organic program in the department of the processing industry and in the farm products distribution network.

In this context we also need a reorganization--within a single financial and management structure--of public action in the chemistry industry sector consisting of the ENI [National Hydrocarbons Agency] and comprising SIR and Liquichimica. This structure must move in coordination with Montedison, in which the public participation of the ENI is currently decisive, based on decisions constituting the foundation of the nation's chemical industry program.

We demand that the multiannual production and financing plans be the subject of a joint examination by the government and the labor unions as well as the management agencies and the labor union. These plans will be subjected to control by parliament.

The State Participations system must constitute the main effort in a policy of conversion and development in the various production sectors, in industry, agriculture, the services, research, and the South and they must do that because of the quantity and quality of their presence in the southern regions. For this purpose, the labor union demands a program for the State Participations system, tied in with the national sector plans, organized along regional lines and concentrated primarily in the South, through a production apparatus provided with autonomous and self-sufficient decision-making, promotion, and research centers, connected to the development of small and medium enterprises and relations with the cooperatives. The following are singled out in this context:

Sectors to be restored and consolidated, such as the chemical industry, the steel industry, shipbuilding, transportation means, etc.;

The innovative sectors with a high content of research and technology, such as the agriculture and food sector, plant equipment, telecommunications, electronics, etc.

3. Sector Plans

The plans for the energy sector, for industry, agriculture, and the tertiary sector, in part, have remained dead letters but in part they have been drafted, although along lines which can be criticized, without becoming operational, except in a very limited degree.

In the meantime, the government continues to supply money to the enterprises without sector programs and thus without their coordination. We therefore need a substantial change in the way in which sector planning has been handled so far in order to make it effectively operational.

This demand is essential in order to arrive at a positive way out of the struggle for jobs and growth and for the South, as well as for a coherent action on the company level to implement the first portion of the contract. The important thing is to manage to bring about an effective planning policy, due to the impetus and under the control of the contract commitments and as part of an adequate effort by the government and the democratic institutions in the context of effective social control.

In this situation, the labor union underscores the need:

(a) For the sector plans specifically to indicate the programming of public orders through adequate coordination of actual government spending with the regions and local entities;

(b) For the sector plans to show the financing--based on clear decisions and directions--of basic research and applied research in the enterprises involved; the sectors plans must therefore contain finalized research plans which must be tied to the supply of funds from the government to the enterprises.

(c) For the sector plans to make it possible to proceed to a comparison between their objectives and the medium-term production and financial commitments of the enterprises.

For this purposes, the enterprises, which intend to benefit from financial action, must be made to submit long-term programs in line with the directions of production development, the investments, the technological changes, the anticipated employment levels, price policies, management financing, and medium-term financing. These enterprise programs, with the pertinent documentation, must be evaluated by the agencies provided for under the law in dealing with the sector plans and at the same time must be the subject of a comparison between the enterprise and the labor union organizations, according to standing contract practice. The enterprises therefore must report to the labor union their long-term programs and the union can demand a comparison among them and will have to express its own opinion;

(d) For the sector plans to contain indications on innovations in work organization to be promoted by the enterprises involved; in this sense it is necessary to draft objectives to be obtained, albeit gradually, for the transformation and improvement of work organization, for the implementation, in the organizations, of certain external and internal environmental conditions involving the health of the workers and the population, as well as the energy savings plan;

(e) For the sector plans--especially those based on the broad presence of small and medium enterprises--to provide for sales programs based on adequate penetration structures on the foreign market and adequate credit institutions;

(f) For the sector plans as a whole to include the evaluation of the need of the multinationalization of the sector with state participation as well as in the sector

of the big outfits, which so far have not been covered by any evaluations undertaken by parliament and the social forces. At the same time, it is necessary to encourage inter-European cooperation (in the field of research, technology, product innovation, etc.) for the strategic sectors which are most exposed to international competition.

Finally it is necessary to have instruments which permit the coordination of the objectives of the sector plans with the most general objectives of national planning, with specific reference to these demands: a coordinated shift of production and research activities toward the South; promotion of the most advanced technologies; pursuit of energy savings and, generally, environmental policies.

4. Role of Regions

To raise the decision-making participation and responsibility level of the regions in the general planning effort and in its internal coordination, the regions must be taken as primary subjects in the formation of planning, not just as consultative agencies, thus moving on to a planning statement which will make it possible to start with resources and not with spending, with accumulation and not with income redistribution, and thus to place the South in a nonresidual role.

In this way, the regional programs will directly have an effect on the drafting of government plans and in daily government action.

In drafting the regional programs, it is also necessary directly to involve the subregional entities (local government, mountain communities, etc.).

The regional administrations are going to be given not only the decision-making powers which they should have in keeping with the constitution but also the means and operational instruments which will enable them at the proper time and with the proper efficiency to develop their own institutional tasks, thus avoiding delays and uncertainties and accumulations of excess liabilities.

In case, pending the new and major primary functions which must be given to the regions for the sake of the country's growth, it is furthermore necessary to provide forms of substitutive action by the central authority in case the regions cannot accomplish the tasks assigned to them and in case they cannot utilize the means placed at their disposal.

Regarding territorial planning on the regional and local government level, which constitutes an essential link in planning policy, it is necessary for the union to reconsider the effective continuity and the repercussions of its initiative aimed at the management action of the regions and the local autonomous levels of government in general. In particular it is necessary to check immediately with the regions, with the direct support of worker initiative:

(a) The immediate implementation of national laws regarding health, housing, transportation, agriculture, school construction, spelling out regional programs in these subjects, looking into the arrangement of regional plans for vocational training;

(b) Arrangement of infrastructure for production, starting with plans for the use of methane in the South, in connection with the upgrading of "industrial

areas" as equipped service areas ready to support technological and market research; this must be done particularly to revive the initiative of the small and medium enterprises; action by regions provided for under the law with respect to the plans of the big enterprises particularly those with government participation and especially in the South;

(c) Drafting of regional, sector, and zone agricultural plans in order to coordinate the sector actions and to evaluate all of their effects in terms of employment, production diversification, sales structures, and initial product processing;

(d) Coordination of action between the federal government and the regions in the big areas especially in the South, regarding the implementation of integrated intersector initiatives dealing with industrial plant settlement, infrastructure, hydrogeological assets, involving the assignment of specific political responsibilities to an operational agency charged with the execution of the individual integrated projects and the unified management of all action instruments provided for by regional and national laws.

The territorial disputes thus will be based on a combination of the experiences in dealing with the regions, the sector and area struggles, the implementation of the first part of the contracts, the handling of company and group agreements on investments and working conditions, as part of a movement which sustains and provides continuity for the general actions of the union.

5. Reform of Special Action in South

We continue to need an extraordinary influx of financing into the South, even more than has been supplied so far. Spending must be effective and swift and must be oriented toward a vigorous upgrading of material and human resources found in the South. The instruments involved are profoundly reform-oriented and must work in close coordination with the national and regional planning centers. In particular it is necessary to arrange for specific actions by State Participations; it is necessary to give the regions every authority demanded of them by the decentralization laws. The special incentives must be reconsidered within a modification of the entire system of incentives on the national level. The reform of instruments now in progress must be carried out by 31 December 1980, that is to say, when the current law and the fund itself are due to expire, taking care not to block actions currently in progress. Within the medium-term plan, it will be necessary to evidence the specific choices for the South which must take into account the various platforms advanced some time ago by the labor union structures of the South.

6. Active Labor Policy

The active policy on the labor market is not a secondary variable of the planning effort but must instead be one of the constituent elements of it. From that viewpoint, we must generalize the result already obtained in some sector plans, calling for the preventive upgrading of the effects of investments on employment levels. It is also necessary to introduce into them a preventive upgrading of the new indispensable qualitative characteristics of manpower in order to translate them into well-organized school education and vocational training plans in keeping with the dynamics of mobility and the possibilities of new jobs which arise.

With the direct support of all of its structures, the labor union movement must promote an active labor policy and the creation of a national employment service in order to attain three fundamental objectives:

(1) A reform of the job placement system, with the assignment of new powers to the regional labor market management agencies, also in the matter of mobility, and along with the assignment of broad powers of innovation and experimentation in labor union contract negotiations;

(2) Support of all forms of interconnections between schools, vocational training, and work; dissemination of the on-the-job training contract and apprenticeship reform;

(3) Reform of special and regular unemployment benefits and hiring policies aimed at promoting the employment of young people and women and supervising the forms of part-time employment through legislative regulations and contracts which would remove the element of secrecy and the arbitrary action of employers.

II. Choices in Various Economic and Social Departments

This complex of grand reforms is the inevitable prerequisite for certainty in the effectiveness of choices to be made in the various departments of the economic apparatus, according to specific priorities.

1. Energy

We confirm the structural objective of reducing energy consumption per unit of product and we reject the attempt to shift the burdens of foreign account adjustment to the real wages of the workers--not to an expansion of the production base. We demand that the government implement the bills (ready as of last January) for energy savings and conservation and the development of alternate sources; we demand that the administration strengthen the role of ENI in petroleum supplies by launching new relationships with the producer countries; we demand a follow-up on programs for methane development in the South; we demand a plan for the infrastructure facilities necessary for boosting the use of solid fuels.

Thesis A

Expand research and the definition of stricter requirements in the matter of nuclear safety.

Thesis B

Tie nuclear decisions in with the certification of maximum safety levels according to the most advanced standards adopted on an international level.

These priorities must be contained in an overall energy plan whose presentation is urgently requested.

2. Agriculture and the Farm-Food Department

Public action must be based on planning for the farm-food sector with the objectives of increasing the country's own independent supply, stabilizing and improving employment levels, raising the incomes and improving the living conditions of the workers and farmers in order to achieve parity with the workers in the other sectors.

The implementation of Law 984, particularly, the regional programs, must go hand in hand with the definition of plans of related industries up the line and down the line—with accentuated development of the presence of the food industry in the South—urgent action in the livestock and wine-growing sectors which are in a very serious crisis, a commercial policy stressing the sale of Italian products on domestic and foreign markets, a decisive initiative on real estate problems (price of land, plot and property mergers, protection of agricultural areas, use of the tremendous assets in terms of public lands, real estate mobility, modification of inheritance law), as well as reform of community agricultural policy. It is urgently necessary to pass the law on the reform of agricultural agreements and to push through specific initiatives to fight increasing sophistication and fraud in the farm-food sector. In the South in particular it is necessary to speed up the execution of irrigation plans and plans for the reorganization of the sales network.

The serious critical situation that has arisen in the agricultural sector makes the situation of employed workers and producing peasants dramatic because it generates uncertainty as to incomes and reduces employment levels while it promotes an increase in imports from abroad, with the subsequent further aggravation of the deficit in Italy's farm-food balance.

We emphatically ask the administration immediately and adequately to go into action in order to stop the crisis now in progress and to put the farm-food plan into the medium-range plan.

3. Industry

In view of the holdup in the implementation of sector plans, worked out on the basis of Law 675, the labor union organizations underscore the demand for an overall strategy aimed at shifting the country's production axis toward new strategic sectors in the international division of labor and to start a tremendous modernization drive in sectors and areas with low productivity levels. This is the only way we can achieve a conversion of the entire production establishment capable of broadening the production base, improving its average productivity, increasing its competitive capability in the worldwide context, establishing new dynamic relationships with the developing countries, especially countries producing raw materials and energy resources. Critical main points in this context are plant equipment and agribusiness, the chemical industry and steel industry, electronics and telecommunications, as well as the auto industry. These sector decisions will revive scientific research and will promote new relationships with the producer countries.

Here we also come to the proper resolution of "crisis points" and the rejection of the attack on employment levels and aimless mobility draws strength from that line.

Regarding the points of crisis, which the CGIL-CISL-UIL Federation had demanded as priority points in actions aimed at industry and which are emblematic with respect to the administration's real desire to go back to a planning logic by starting with these priorities, we can say that the situation is still entirely in the process of being spelled out.

Serious production and employment problems can be solved by implementing the commitments assumed in July by the administration relating to the following: the chemical industry (SIR, ANIC [National Agency for the Hydrogenation of Fuel], Liquichimica); shipbuilding; component industry; Finmeccanica [Mechanical Engineering Finance Corporation] initiatives for the auto industry; steel industry; methane industry development; GEPI; undertakings in support of Calabria and Campania.

4. Tertiary Sector

Action in this sector, which is decisive in terms of consumer price formation, must be aimed at an efficient and modern network of distribution services tied in with economic growth and the organization of civilian life. Excessive subdivision and parasite middleman transactions, all the way to mafia phenomena, have an effect on consumer prices and penalize production activities above all in agriculture. The modernization of this sector, which also calls for action on the transportation system and on infrastructure facilities, calls for a general nationwide law that will standardize the existing norms and that will provide for a strict connection with the general planning effort, with a broader role of effective action being assigned to the regions and the local entities. Planned development of the tourist sector is also necessary.

Along with traditional departments it is also essential to develop modern departments in the tertiary sectors involving the advanced services for the enterprises.

Planning, information science, management consultant services, marketing, in their most significant expressions, constitute an ever more essential support for development, especially for the promotion of the process accumulation in the South and for the development of small and medium enterprises. In this field we need a public initiative which, on the one hand, would be tied to a design for reorganization, restoration, and revival of State Participations and, on the other hand, the economic planning powers which must be assigned to the regions.

5. Public Administration

The central nature of the reforms in public administration consists of the relationship between the need for a reform of the structures of the state and the problems of planning, in the sense that we cannot have development planning without a profound change in the current administrative setup.

It is therefore essential for the entire labor union movement and not only for the civil service to adopt all the initiatives considered possible in order to achieve this change, asking the administration and parliament to implement the proposals contained also in the "Giannini Report" and backed up by the Senate through the unanimous motion of 10 July. In particular it is necessary to arrive at an agreement:

On the decentralization of government functions;

On the establishment of productivity-efficiency indicators for all public administrations;

On the simplification of procedures and the revision of administrative controls;

On the reform of public administrations, starting with those of the fundamental sectors and services, including the autonomous companies of the state, starting with the railroads.

In the context of a policy centering around a public administration reformed in terms of its structures and renewed in terms of the procedures, whose primary objective would be productivity, it will be necessary to place qualitatively more advanced demand-oriented policies, pursued and guaranteed by the general law in support of sector hiring, to whose rapid passage by parliament the United Federation must be totally committed. Contract renewals can thus move within a broader horizon within which the reform of the structure of remuneration, the upgrading of jobs status, problems of mobility, and working hours constitute the most urgent aspects.

6. Hidden Economy, Moonlighting

It is necessary to chart a line of action on the part of the entire labor union movement regarding the problems of decentralization, small enterprises, the crafts, moonlighting and homework by also adopting the necessary organizational measures.

The union's commitment must on a priority basis be aimed at the implementation of contracts and laws and in particular the one on homework by asserting the effective contract-negotiating power in the small, decentralized outfits. This must also be achieved through gradual solutions already positively tested. All of this together adds up to an initiative aimed at solving the structural problems of small enterprises through a complex of measures aimed at the restoration of the entire hidden portion of the economy.

Crafts contract renewals marked a step forward in that direction but it calls for a further commitment, starting with their implementation and with initiatives aimed at the exercise and further extension of union rights gained.

7. Schools

The rapid approval of some urgent reforms, starting with senior high school reform, and planning of school expansion, so as to correct the current situation of chaotic development and serious imbalances between the various parts of the country--these are the indispensable requirements for getting out of the crisis in which the schools find themselves and eliminating the growing gap between the content of school education and the requirements for retraining on the labor market.

In addition to stressing the positions expressed at the time with regard to senior high schools, calling for rapid parliamentary passage, the labor union movement lists the following priority points in the school sector.

(1) Senior High School and Vocational Training

In order to achieve a strongly emphasized tie-in between general education and preliminary job training aspects already in the secondary schools it will be necessary to work out real training plans in the territory according to existing needs and specific development assumptions;

(2) Program Revision

To be based on those absolutely obsolete in elementary schools.

(3) Price Control Policy

Aimed at holding down ever-rising school equipment costs, especially textbooks.

(4) Rapid Passage of Collegial Organ Reform

Featuring substantial corrections and combinations of provisions approved by the Chamber; at the same time it is necessary to launch administrative decentralization of the ministry of public education and to redefine its relationship with democratic management organs in the schools and local entities.

(5) Special Refinancing for School Construction

This also includes a modification of parameters for the redistribution of funds in favor of the southern regions; additional financing aimed at eliminating double and triple class sessions; speedup in procedures to strengthen the role of the regions.

(6) Expansion of Full-Time Study and Government Maternal School

To be done immediately:

(a) Increase in full-time attendance for an additional share of 20 percent with planning for action in every region and giving priority care to the establishment of at least two full-time schools in every district;

(b) Expansion of maternal school by at least 3,000 sections per year as part of a three-year development plan with priority for all communities in the South which ask for this.

On these points, the CGIL-CISL-UIL Federation not only develops an effort in dealing with the administration but proposes the immediate start--regarding in particular school construction, full-time study and maternal schools--of action on the regional level priority for the South aimed above all at making maximum use of funds, left over as excess liabilities, on the part of the regions and communities, so as to reverse the current tendency toward an increase in the imbalances between North and South in providing necessary services (transportation, dining rooms, action regarding the right to study) as well as school construction agencies.

III. Active Labor Policy, Wage Structure Reform, Social Policy

1. Training, Job Placement, Manpower Mobility, Income Makeup Fund

In view of the structural data on unemployment, the new labor supply coming from young people and women, it is necessary to work through sector and territorial planning, through hiring (working hours and work organization), and with the help of new institutional instruments.

In this context we are dealing with the following topics.

Reform of National Employment Service

It is necessary to get parliament conclusively--after hearing from the labor unions--to debate DL [Decree-Law] 760. The reform must be based on principles of flexibility and decentralized powers; it must have an experimental character; it must on a priority basis upgrade the contract role of the labor union; it must be tied in with regional training and planning policies, also calling for "pilot projects." Regional observers constitute technical instruments for determining the labor demand and supply. In this context, the question of mobility between companies must be taken up as the issue of mobility "from job to job," within the context of the roles of the employment commissions and the indications from the observers, following labor union contract negotiations among the parties involved. In this sense it is necessary to reject the attempt at removing the aspect of mobility from the context of DL 760. In this context, the income makeup fund--today used mostly as pure welfare reservoir--must be restored to its institutional functions. The daily special unemployment compensation must be reviewed in order to equalize the regular, special, and CIG [earnings insurance fund] benefits to a much greater degree. This reform of the employment structure is closely connected to the transformation of all school and training facilities throughout Italy so as to eliminate their substantial divorce from the labor market as part of the gap between culture and employment levels, against the background of the wide discrepancy between the cultural and job demands of the workers and the younger generations.

Regarding basic education, it is necessary to guarantee the exercise of the right to study, starting with kindergarten and mandatory schools, while it is also necessary to set up a national adult education program with a view to building a system of permanent [continuing] education which, in addition to guaranteeing the recovery of minimum basic cultural levels, will supply those levels of knowledge and those technical-scientific instruments which are indispensable in achieving an autonomous and fully aware control and action capacity within the production organization, starting with work organization, and within the various forms of organizational tie-ins in Italian society.

In this sense it is impossible to separate basic education from specifically job-oriented training, the education of young people from that of adults, general cultural education from the kind of education that can have an effect on the quality of work. In this organic policy of basic education and job training we must coordinate all of the contract gains in the matter of education and the demand and contract initiatives of the labor union aimed at tying work activities in with study activities also in part-time ways.

School, Education, Work

In stressing the interconnection between education systems and the labor market it is necessary to tackle the problems of alternate work-study programs, of senior high schools, of the vocational guidance service, of a work-study contract as a long-range substitute for apprenticeship, the number of hours in determining the right to study, the vocational training system (structures, content, objectives, public character) as well as in relation to the modifications of work organization.

New Quality of Supply and Part-Time Employment

The massive labor supply involving young people and women calls for organic action to end the apprenticeship institution through a job-training contract, to support youth cooperation, involving support for in-house youth employment through special and regular action, for the South, for the employment of women also with the help of incentives for the modification of work organization and work hours and also in terms of social services, part-time employment, identifying the various figures involved and trying to connect periods of employment in various sectors so as to consolidate the ration of work involving a specific period of time.

2. Wage Structure

Thesis A

Pay is an essential part of the more general problem of labor costs. It is necessary rigorously to reorganize labor costs and wages by working toward a structural modification of the relationship existing today between direct pay, deferred pay, and social [security] contributions, in the sense of assigning ever greater weight to direct pay and progressively to transfer the financing of social benefits from the collection of contributions to collections deriving from taxes.

The wage effort must tackle a series of problems: defense of the purchasing power of pay and pensions, which have been eroded by inflation, inflation, primarily for the lowest pay and pension levels; the growing tax squeeze on incomes, the degree of contractual control over real wages, as compared to the growing portion which comes from the unilateral decisions of the enterprises and individual employers; the gap, in the context, between the wage scale resulting from contract negotiations and the wage scale in fact constituted also by the unilateral additional wages deriving from employer rewards for worker skills; the relation between direct pay and separation allowances, between skill allowances and periodic seniority raises; the relationship between pay and productivity; the relationship between pay attendance. Precisely spelling out the way in which to tackle these problems is an essential thing also with a view to the disputes on contract renewals which are in progress for civil service employees and which will start next year for the fundamental private sector.

The line of defense of the wage freeze and the sliding scale, as spelled out in the 1976 accord, was implemented not by chance and with success, holding indexing down to the freeze and eliminating the effects on other pay items as well as extending the influence of the sliding scale to retirement pay. This is in keeping with the essential principle of defending a minimum level of purchasing power which would be equal for all and which would derive from work pay and it does implement the

requirement for creating an equal correct foundation in pay policy which would have the broadest possible class content.

The growing gap between actual pay and contract-based pay however characterizes the limits of a wage policy which boils down only to egalitarian criteria. Naturally, the employers are trying to determine pay rates which are not based on contracts above all in order to divide the workers and establish their paternalistic link with the enterprise and the service; but in this way it can also respond to real demands. The skill level, as a personal work capacity, is hardly overshadowed by production and service activities but the requirements for traditional work capacity retain their full value and new work capacities are furthermore demanded. The denunciation of the decline in job skills now underway must be accompanied by an effort to point up new facts which also emerge in this field.

In general it is naturally as a part of the effort to change work organization that one must--in the course of the technological and organizational development of production and service activities--stress the demand for the defense of job skills and the new assertion of the quality of work, as an alternate to processes of work downgrading. But this action must be tied in with a wage policy that will assert the need for wage hikes characterized by a more accurate evaluation of job skills, taking into account problems springing from the excessive levelling of pay. The wage policy criteria can be spelled out as follows: it is necessary to accentuate the characteristic of skill pay in the portion of work pay which--beyond the wage freeze--is subject to contract negotiations on all levels; it is necessary adequately to evaluate directly productive work in contract-based pay.

It is necessary to consider the fact that excessive wage levelling is a phenomenon with which the labor union must come to grips. This phenomenon is undoubtedly influenced by the unique nature of the wage freeze and also a demand policy based on equal wage hikes for everybody.

The alternative thus features a choice between setting up percentages for wage indexing mechanisms and the resumption--through pay policies--of the parametric scale fixed by the contracts, correcting the effects which have been influencing pay in recent years. And a discussion should be started on how to implement this return.

1.1. During the current phase, prevailing conditions do not enable us to propose the assumption of differentiating the freeze point, as had happened prior to the 1975 accord. Instead we have the need for making sure--along with an equal freeze for everybody--that we are going to have parametric scales relating to definitely more differentiated skill levels, in particular including new job, individual, and group figures, which we want to bring out as part of the effort to revitalize work organization. We must thus affirm the validity of contract-based job mobility as an alternative to automatic switching between worker categories.

This line must be implemented on the basis of contract renewals, within the context of a demand choice which would propose a more accentuated pay dynamics for workers, technicians, clerical employees, administrative personnel, supervisors, which would thus determine the confirmation and positive evolution of the single organizational setup and which would be aimed at absorbing all actual pay in the contract negotiating procedure.

1.2. During the current phase, prevailing conditions mean that we cannot propose the assumption of differentiating the wage hold-down point, as had been done prior to the 1975 accord. We agree that it is necessary to organize job qualifications on the basis of a gradual modification of work organization and that we must firmly stick to the single organizational setup as a unifying gain for all workers; but it is also necessary to correct the effects of levelling which have been recurring regarding pay because of high inflation and automatic wage recovery mechanisms. At the same time, correction must take into account a higher job skill level which is also expressed by a modification in work organization. For this purpose, pay policies must above all be aimed at spelling out, in the contracts, a parametric scale corresponding to such indications and to the return to such a scale in the course of the contract terms.

Besides, such policies must be implemented also through integrated contract negotiations organized on the basis of the evolution of work organization aimed at new job values.

Finally we must assert the contract negotiation policy regarding job mobility and the corresponding pay evaluation with respect to automatic switching among worker categories.

1.3. To guarantee the continuous existence of pay differentials established by way of contract renewal, the labor union must, during national or company negotiations, provide mechanisms which would annually compensate the workers for the levelling effect caused by the sliding scale. But there would still be a prevalent specific evaluation, based on worker categories and companies and involving job, individual, and group values which would be tied to work organizations.

So long as this does not happen, going beyond the single figure for the freeze point would become inevitable.

2.1. Finally, regarding the effort aimed at the work environment and harmful, repetitive, and difficult working conditions, which must reject the principle of money reward, we pose the following problem: whether--where such conditions cannot be eliminated and where working hour reductions and the insertion of work breaks turn out to be insufficient--it is necessary to set up special pay for such conditions.

2.2. In this context we must define specific pay regarding difficult, harmful, and repetitive work conditions while labor union action for the amendment of work organization and the improvement of the work environment remains a priority thing that cannot be dropped.

Along this line we must move toward a systematic setup of seniority pay. For seniority, within a limited degree, the best solution involves the admission that a raise limited by seniority pay is in line with the growing work capacity deriving from work seniority and the proper certification in this sense also for continuity on a particular job. But we must avoid a spread that will be so wide as to wipe out the job pay scales because that would have a destructive effect on the job content of work pay and would lead to an unacceptable compression of initial pay. Regarding seniority pay, we must reaffirm that the essence of separation pay must be provided here and the pension must be equalized with work pay. The labor union

movement is in favor of a reform of the seniority allowance with respect to which the most suitable solutions will be identified.

In the following we would like to list some assumptions and we ask for a debate contribution.

Assumption A

On the other hand, the seniority allowance is a historically consolidated contract feature which is in keeping with the need for the connection between the job itself and for a tie-in between separation and retirement. The effect of removing the indexing for the allowance has been very strong, in view of the dynamic process of inflation. That brings up the need for working out a better tie-in between pensions and seniority allowance. One solution, for all employed workers and all retirees, could be this:

Define a separation allowance which would guarantee 10 months of actual pay (including the freeze) for 10 years of work seniority, maintaining the higher seniority allowances in force;

More closely spaced time intervals in the sliding scale for retirees and revaluation of pay for the purpose of calculating pay on which pensions can be based;

Implementing the new regulation on separation allowance in context with higher retirement pay being demanded both for the employed workers and for the retirees so as to acquire--also through this new regulation on separation allowance--a portion of the financial coverage in order to make improvements in retiree pay.

Assumption B

Retaining everything having to do with the relationship between pensions and retirement allowances, as stated above, one solution might also involve a retirement allowance that would be equalized with the work time, not the time spent in the company or factory. In this sense, we could constitute a common fund to which would periodically (annually) be turned over benefits deriving from previously established interests--with a contract adjustment taking into account the progress of inflation--leaving the option of partial or total retirement up to the worker on the basis of specifically defined conditions.

Assumption C

The problem of separation allowance is complicated by the abnormal relationship which has developed in recent years between the index wage rate and the contract rate; this has brought about an excessively accentuated devaluation of that allowance which must be corrected by resuming the comparison with the counterparts as quickly as possible.

In substance, it is necessary to come up with a definite system for this institution which would stick to the principle that constituted the foundation of the 1977 confederation accord, that is to say, that the foundation of separation benefits consists of the pension equalized with work pay and that, with respect to that separation allowance, it plays a role of merely providing a subsidiary connection with access to retirement benefits or mobility processes.

First of all, it is necessary to find a new criterion for reevaluating the prior portion of allocations for seniority allowance in order to stop the continuous process of erosion here. In this connection, one could freeze it and apply a reevaluation index to it which would be different from the mere dynamics of the wage freeze and which could be that of the equal standard.

For future allocations, we propose to establish a ceiling of 10 monthly payments of seniority allowance for 10 years of work, restoring the rate of sliding scale with respect to the calculations of the allowance itself. This means that the institution of seniority allowance must be maintained and that, at the same time, it is necessary to build new forms and new ways of control by the labor union over the complex operations of this institution.

Along this pay policy line, we are going to discard the automatic high-in between pay and productivity, as well as between pay and work attendance. The question of efficiency and productivity will be viewed in the context of contract negotiations concerning control over work organization problems and it will be taken up according to the objective data emerging from actual production surveys and according to the evaluations of the workers themselves deriving from that.

Thesis B

Over the past 3 years we have had a major redistribution of income to the detriment of wages and in favor of profits, incomes, and earnings of some categories of autonomous workers. The decline in the share of the national products attributed to employed workers has been even more voluminous if we look at the net wages after taxes.

In the context of this dynamic situation, the policy of equality has been subjected to severe tensions while the way has been opened again toward the boss policy of dividing the workers through a unilateral employer action regarding actual wages, pursued particularly in dealing with some groups of workers.

While stressing the correctness of the equality policy which is sustained by the defense of the current wage freeze, the Federation proposes the following in order to eliminate these contradictions:

(a) A policy of wage hikes which would permit a more equitable participation of employed workers in the increase in the national income, beyond the simple defense of the purchasing power;

(b) In the context of an adequate recovery of wages it is possible to return the pay differentials to labor union control by reconstructing the 100-200 parametric scale;

(c) The equality policy becomes specifically compatible with the correct evaluation of the job capacity of the workers, stepping up the struggle for the amendment of work organization, the promotion of effective group job skill levels, and the exclusion of money rewards for harmful working conditions;

(d) In the context of a new wage policy, it will be necessary to resolve the issue of separation allowance through a redefinition of allocation measures by establishing a number of monthly pay increments equal for all workers and fully indexed.

3. Working Hours

Thesis A

Manpower paid by hour constitutes the fundamental element in the union's strategy. The workers respond to an increase in labor productivity and hence to the tendency toward a restriction in jobs as such or to growing inconvenience resulting from difficult, repetitive, and painful work with a reduction in working hours; this kind of work continues to be an important part of production and service activities; the workers also respond in this way to the demand for civil progress toward more spare time that would be freely available to each individual. The victorious fight for the 40 hour work week and the short work week was a decisive stage but certainly not a conclusive one in the working hour drive; on the European scale, for the middle of the eighties, the objective was set up for a further reduction of 10 percent in the working hours.

During the current critical situation, looking forward to the next phase in working hour reduction, the decision on working hours must be geared above all to employment problems. This is precisely why the choice must be aimed at a reduction in working hours within the context of greater utilization of plant and equipment, in sectors and areas of the entire production establishment, as well as in the distribution sector where technological modernization is much stronger and where the increase in productivity and therefore in growth is specifically threatened by a reduction in employment. As a matter of fact, to sustain employment within the framework of labor productivity increases, we must work toward an expansion of the production and service apparatus but at the same time we must work toward the greater utilization of plant and equipment and thus toward a relative reduction in investments necessary for each job. We therefore need a drive centering on working hours which will tend to compensate for the rise in labor costs, following the reduction in working hours, with greater utilization of plant and equipment during each working day, during each week, during the year, with a diversification and better organization of work shifts in which the employment levels would be increased and protected. On the other hand, it does not seem feasible today for us to pursue a policy of generalized reduction which would boil down to an overall increase in labor costs against the background of reduced plant and equipment utilization. There also continues to be a need for further reductions in working hours in connection with particularly difficult, troublesome, and repetitive work operations.

Thesis B

The objective of a further generalized 10-percent working hour reduction has been outlined on the European level for the middle of the eighties.

The labor union is aware particularly of the fact that the tremendous technological progress in the industrialized countries can cause a rise in productivity to the detriment of jobs.

Consequently, unemployment could go up and in particular strike at the young and the women. It is therefore necessary right now to chart an effective strategy--especially also in view of the coming contract renewals--which would provide continuity and strength for the strategy already launched during the last round of contract renegotiations, using productivity to reduce working hours.

Under these conditions we necessarily face the objective of a progressive reduction in working hours, broken down by sectors and shops. In the effort to provide the proper organizational setting--and where the necessary conditions are present--we could also try to work toward 35 hours.

In view of the current critical situation we definitely must make sure that the decision on working hours will on a priority basis be aimed at facing the problems of employment.

Thesis C

The labor union movement is aware that the strong advance of technology is creating a new type of structural mass unemployment in all of the industrialized countries and that applies also to Italy where the young and the women are affected in particular. Technical progress and employment are destined to come into conflict with each other dramatically if we do not immediately chart a specific strategy of progressive and sector-graduated reduction in working hours which would enable us, by 1985, to achieve the target of 35 working hours per week for everybody. This is why the CGIL-CISL-UIL Federation--considering the objective of reducing working hours strictly supplementary to a new policy of industrial development planning--submits the following for consideration by the workers:

(a) The assumption of including the proposal for a progressive reduction in working hours to 35 hours per week, with pay being disbursed for 40 hours, as the central proposal in the next platform for nationwide contract renegotiations in industry;

(b) The relationship to be established between the reduction of working hours down to 35 hours and suitable forms of flexitime (various daily and weekly schedules) to be agreed upon in contracts on the company level so as to permit the safeguarding and possible increase in the utilization of plant and equipment as part of a strategy aimed at an increase in investments and employment in the South.

This line must include an initiative for the control of real working hour levels which would extensively go beyond the contract-based working hours applicable partly in the smaller companies but also in the big enterprises. It is clear that, without this control, which would eliminate the abuse of overtime, the qualified choice for further reductions in working hours would run into major difficulties and would entail the risk of broadening the differences between the portion of workers who are organized and protected by contracts and the portion that is not.

We must demand work time organization which will provide for partial working time, either in general, to make more free time available for taking care of personal matters, or specifically to provide free time during which the individual can engage in study and retraining activities; this is necessary precisely in order to have effective control over working hours but also to respond to the complexity which the labor demand assumes in qualitative terms. In this sense, part-time work will be viewed in terms of a demand and hence of assertion and contract regulation.

The labor union furthermore must pledge itself to bring about social and cultural conditions which will permit the best possible utilization of time available to the individual away from work and we must particularly commit ourselves to make available adequate working hour systems to cover all of the services required for the workers and their families.

4. Social Policy and Quality of Life

1. Health

By way of implementation of the health reform law--where we must report delays in compliance and attempts at undermining and revising the guiding principles--the labor union must commit itself:

(a) On the national level, in dealing with the administration and parliament, to the urgent passage of the National Health Plan within which it is necessary to eliminate the wide gaps between North and South and to achieve an increase in so-called "integrative" [insurance] benefits and services as well as for the issue of standards in the matter of hygiene and safety as well as homologation according to the criteria of exclusively spelling out the general principles, leaving the definition of methods for achieving safety to the regulatory standards, to the specific points, and to labor union contract negotiations;

(b) On the regional level--particularly in the South--through demand platforms, to the immediate establishment and full operation of the local health units in the context of regional and territorial planning aimed at the efficient organization of services, with particular emphasis on labor medicine and preventive protection [work safety].

The operation of the national health service in terms of its real local and basic interconnections, such as in the hospital facilities, must find the labor union committed not only as a protagonist, as a fighter for adequate forms of social control, but also as the promoter of a commitment within the services to make them really efficient.

2. Housing

The housing problem, which recently has been deteriorating further due to the increase in executive evictions although, in the particular context, no new housing facilities were available on the market, so far has not produced a sufficient response in terms of government action.

We have furthermore detected a slowdown and undermining effort promoted by certain employer forces and by central and outlying government agencies which with determination obstructed the reform processes which were launched with so much difficulty through the ten-year plan, the fair standard, and the new land system.

The difficulty involved in a serious attempt at reforming public and private action in this sector was further increased due to the failure to perfect the overall body of standards which would eliminate the main contradiction. In view of this critical situation, the United Federation, together with the FLC, during the recent Housing Conference, revived its own commitment to guarantee conditions for planning and greater social productivity in the sector of housing construction.

In particular, regarding the ten-year plan, we are demanding not only a new financing procedure, which would maintain the planned number of housing units and which was eroded away due to higher costs deriving from inflation, but also and above all the effective launching of the plan itself, in all of its biennial and quadrennial interconnections.

To restore the big urban areas in the South, we must move on to cite selection decisions--something which must be done by the regions--so as to achieve a massive and coordinated concentration of available resources (ten-year program, special housing construction programs for the big communities, special projects of the Fund for the South).

Regarding the fair standards, we must amend the law in order to provide greater stability for the lease contract and we must review the indexing of the standard itself.

New market mobility involving home ownership and home rentals must be promoted through measures, including tax measures, which would put an end to the current rigidity in the supply, either by working on the loan terms for home purchases or by increasing the share of rental housing, or by extending the government's commitment in the matter of subsidized housing.

Strong support for these demands must come from a renewed effort by the system of enterprises with state participation which starts with a more qualified and functional relationship between material producing enterprises and enterprises which do the actual construction work.

Here we must forcefully state the problem of restoring balance between activities abroad and those in Italy which today--and even more so in the future--are dangerously unbalanced in the first direction.

3. Transportation

The reliable reorganization of an integrated transportation system in Italy must be based on the following, in addition to the specific and general decisions made 2 years ago by the National Transport Conference, which have not yet been implemented:

(1) The institutional management reform of the State Railways, so as to permit an effective ability to make the investments called for in the overall plan and to adapt the company structure to the requirements of freight and passenger traffic developments;

(2) The National Transportation Fund, an instrument which now can no longer be delayed in order to enable the local entities and particularly the regions to exercise control and implement planning with respect to spending and investments for urban and extraurban transportation;

(3) Planning and production development instruments for the maritime and port industry and for air transport (Plan for Ports, Coastal Shipping Project, Civil Aviation Reform, etc.).

4. Family Allowances

Considering the gap which keeps growing between family incomes, with several wage earners and those with only one breadwinner, it is necessary to develop a more effective policy in support of employed workers who have heavy family commitments, establishing a more equitable ratio between the overall contract-based wage and the family income.

Instruments for this kind of policy must include a reorganization of the taxation system which would favor workers with heavy family burdens; the development of a network of social and civilian services, free of charge or partly gratis, especially in the South, to be implemented together with the local entities; periodic adjustments of family allowances. In this respect, the resources of the Family Allowance Fund must be used in support of employed workers who have heavy family burdens.

5. Pensions

In the sector of pensions and social security, we urgently need parliament to pass the provisions which would result in the reorganization and reform of the system through greater equity and fairness in benefits, hand in hand with a financial restoration of social security, as distinguished from welfare payments. In this respect, we must underscore the importance of steps already being examined by parliament, in particular the following:

(a) The one on pension reform which among other things must lead to the standardization of the system within the INPS [National Social Security Institute] for the new cases involving all employed worker categories without distinction; the improvement of benefits, not only for current retirees, at least by 30 percent; extension to minimum retirement benefits after 15 years of contribution under the most favorable lock-in system provided for retirement pay in excess of the minimum; considering also the Employed Worker Fund of the INPS, where we need shorter intervals of periodic adjustment in the sliding scale, aimed at the gradual standardization of application times between active and retired workers; but also for active workers (reevaluation of benefits in order to calculate the pensionable remuneration, utilization for retirement purposes of all periods of time, even prior to the establishment of the Income Insurance Fund); standardized rearrangement of contributions, including also those of the INAIL [National Work Accident Insurance Institute] in it;

(b) The one on disability conditions which qualify for retirement pay where among other things we must establish two degrees of retirement (for partial and total disability), tying the concept of disability qualifying for retirement pay to more objective criteria;

(c) The one on the reorganization of social security in agriculture which among other things must bring about parity in social security benefits for farm laborers and the abolition of the SCAU through the transfer of all of its functions to the INPS.

Bring about a new interconnection among job placement services, the INPS, and the local health units.

6. Tax Withholdings from Employed Labor

In the area of labor union policy regarding income redistribution, it is necessary --in view of the inequity caused by the rise in the tax burden deriving from the inflationary process (fiscal drag)--to contain its reflections upon income taxes of workers by moving both in the direction toward deductions and toward modification of shares and tax brackets. Regarding personal incomes, it is necessary to restore the balance of the tax burden between those who have only one single breadwinner

in the family group and those who have several breadwinners, as a result of which those family groups, in which only person works, are heavily penalized.

During this phase, following the modification achieved regarding deductions, it is necessary to introduce a reorganization of shares through a modification of income tax brackets and a mechanism for gradually starting taxes on family groups. This action calls for a firm initiative aimed at the reorganization of the financial administration and prosecution of tax evaders so as to go after the enormous tax evasions recorded in Italy.

7. Prices and Rates

We now have confirmation for the decisions made by the EUR:

(a) On the need for maintaining and keeping under control of the CIPI the public utility rates and prices on essential consumer goods;

(b) On the need--considering the social character of rates on some essential services --for allowing rate changes in a gradual pattern, provided they are combined with effective measures aimed at improving these services and at including certain investment programs.

In this context we demand the conduct of political confrontations on the structure and purposes of rate schedule handling, not only to finance the deficit in the balance but also to improve the services and to finance investments in sectors of the electric power company, the gas company (especially regarding the development of methane in the South) and the telephone companies, the transportation companies, and RAI [Italian Radio-Television].

We therefore reject any assumptions aimed at increases designed to work toward a redistribution of resources through parafiscal methods, but in the absence of any kind of supervision. Besides, the Federal Government, the regions and the local entities must--within the context of the distribution sector reform--activate the action instruments available to them in order to fight against phenomena of speculation and racketeering, guaranteeing the consumers absolute clarity in the presentation of prices and rates, along with other aspects. On these matters we must have a labor union initiative toward which the establishment of a specific consumer federation will contribute.

Chapter II. Solidarity Fund for Workers of South

The establishment of the solidarity fund and the identification of its specific objectives will have to be deliberated upon by parliament, after the consultation promoted by the United Federation has given all workers an opportunity to express themselves, fully informed on what is at stake, on the nature of the fund, on its ultimate purposes, on its management criteria and on the timeliness of creating this new action instrument.

Theses A, B, C

The solidarity fund must be one of the instruments for the participation of the workers in running the economy within the context of a planning policy to which

the labor union movement intends to make its own contributions in terms of incentives and proposals and in which it intends to exercise its autonomous action in terms of proportion and control. The fund must help toward the development of the South by encouraging the wide dissemination of cooperatives and self-managed economic and social activities, also creating conditions for their effective presence on the market.

Thesis A

1. The "Solidarity Fund for the Workers of the South" cannot be put together through an alternative involving the action of government authorities upon the process of assimilation. Instead it could represent one of the forms through which the workers will have to participate in building a planned economic policy which remains a basic objective of the union movement and which constitutes an essential reference point in its demand struggle and its battle for the development of employment.

If the "Solidarity Fund" were to become one of the instruments of a democratic planning policy and one of the instruments of government economic policy, destined to promote greater employment in the South, it will be necessary for the law clearly to spell out its tasks, tying its activities in with that of the other public instruments (existing or to be created) which would have to work in support of a development policy. It is therefore necessary for the fund's management to be responsible for its operations to those public institutions whose task it is to co-ordinate government economic policy. And it is necessary for the law to identify its specific ultimate purposes so as to prevent overlap or confusion between the activities of the fund and those of the other instruments of public action.

Among the alternatives on which the workers should express themselves we must therefore provide the assumption--already present in the debate--of a voluntary contribution from the workers to the financing of the fund, although the implications of a possible choice in that direction would have to be made perfectly clear, in other words, this presupposes an option for a fund of a private nature which therefore would be entirely autonomous with respect to government economic policy; it would entail the direct assumption of management responsibility by the labor union, changing its nature in some way; it would entail the assumption of a burden entrusted only to the political sensitivity of the most committed workers upon whom other burdens already fall, including financial burdens connected with solidarity and labor union militancy.

2. The United Federation proposes that the "Solidarity Fund" be instituted for the specific purpose of providing for the financing--through the granting of greatly facilitated loans, of contributions toward the start-up of enterprises or advance payments on their earnings--of various forms of associated activities (from traditional cooperatives to the conversion of enterprises running on the self-management system) to be promoted or to be developed in the southern regions, with the priority objective of promoting and assisting in the creation of forms of associated work combined with the work of unemployed southern youths.

According to this proposal, the recipients of financial action by the "Fund," located in the southern regions, will therefore be as follows:

(1) The cooperatives (primarily the newly-established ones) operating in agriculture, in the farm product processing industry, in the fishing sector, in the crafts production;

(2) The cooperatives operating in the public interest service sector (such as assistance to senior citizens, adult education, historical and artistic heritage preservation). The service cooperatives connected with production activities (centers, projects, market studies, industrial architecture, etc.). The service cooperatives connected with local entities (drafting of low-cost housing construction plans for small communities, development plans for mountain communities, etc.).

(3) The production cooperatives in the housing construction sector which are again connected to a process of reorganization and industrialization of the construction sector;

(4) The cooperatives of employed workers concentrating on the construction and use of new housing units;

(5) Workers in agricultural, industrial, or service enterprises whose transformation into self-managed enterprises has been decided upon.

(6) Vocational basic and refresher training courses for workers of cooperative or self-managed enterprises which exist or which are in the process of being established.

Absolutely vital conditions for the grant of financial support by the "Solidarity Fund" must be the following:

(a) The ascertainment of the real operational autonomy of the cooperative which is supposed to be established, so as to prevent support for forms of subsidized under-employment more or less concealed by fictitious cooperative activities;

(b) Preservation of the right of all workers employed in the cooperative enterprise to share fully in enterprise management.

3. In relation to the purposes spelled out point (2), the "Solidarity Fund" will be able, in our peripheral structures, to promote the establishment of centers for technical and financial assistance as well as sales centers to support those associated enterprises which will receive financing and contributions from the fund, on the basis of specific long-term programs, as well as vocational training centers for members of cooperatives.

4. The fund will be financed with a contribution covering all of the employed workers (and only them) amounting to 0.50 percent of their wage. This contribution will have to be withheld after the achievement of a substantial reduction in the tax withholdings on work income deriving from a revision of the tax shares agreed upon with the labor union organizations. To prevent confusion in accounting and the creation of useless bureaucratic apparatus, this contribution will be turned over through deductions in fixed amounts corresponding to some major tax bracket spreads.

The contribution will last 5 years unless it is renewed by the individual worker. Its return at the end of the period of 5 years will be guaranteed by the government and will be accompanied by the payment of modest bank interest, likewise guaranteed by the federal government.

The guarantee by the federal government regarding the return of contributions and the payment of interest at the end of the 5-year term (when some financial transactions under the fund will still be in progress or will just have been started and when certain financing provided or certain possible "assistance and vocational training services" promoted by the fund turn out to be obviously nonprofitable in comparison to the contributions initially made) presupposes an effort which could spring from a pertinent allocation in the Federal Government budget, equal to one-third of the contribution paid in by the workers; it stresses the public nature of the "Fund," its necessary tie-in with the national and regional economic planning agencies and the timeliness of its operations on the level of public institutions through an annual report to be sent to the Parliament of the Republic.

5. The fund's public nature and, on the other hand, the need to make sure that it will have an efficient and competent operating structure, which moreover would be widely decentralized in the southern regions, make it impossible to propose the assumption of setting up a new and autonomous financing agency, in addition to those already operating in the national loan interest sector. Starting with this premise, the Fund could be managed by a special section of the National Labor Bank, a national interest bank which has for years been operating in the cooperative sector. This special section would thus have to set up its outlying offices near the main branches of the BNL [National Labor Bank] located in the southern regions.

6. The solidarity fund for the workers of the South will have to be managed by a board of directors consisting of the deputy administrator of the BNL or one of his assistants, some representatives of the economic ministries appointed by the CIPE, representatives of the southern regions and representatives of the national cooperative associations.

The law will have to guarantee that the CGIL-CISL-UIL Federation will get periodic reports from the fund's board of directors on the fund's activities in the various sectors and territories in which it will be called upon to operate, in order to give the labor union movement a chance to evaluate--through the direct contribution of its territorial and category organizations and through consultation of the workers in the associated enterprises--the congruity and correctness of financing allocated in relation to the fund's ultimate purposes and the supply criteria which will have to be established. The law will also have to enable the unions to check into the individual results actually achieved due to the fund's operation and their coherence with the statutory tasks of the fund itself.

One autonomous function of the labor union however remains and it is absolutely indispensable; this is the function of promoting, in the southern territories, initiatives aimed at activating the intervention of the fund, at promoting, among employed and unemployed young workers, participation in new forms of associated enterprises, at perfecting, together with the cooperative organizations, a joint and coordinated effort aimed at the support and dissemination of associated enterprises.

Thesis B

The fund should have the objective of the priority and central creation of forms of associated work involving young people and unemployed or recently fired workers in the South. If these forms are expressed in activities managed in cooperative forms

or in other self-management forms, they must be implemented in agriculture, in industry, particularly in farm product processing and in the lumber industry, in fishing, in the crafts, and in public interest services or in the structure of services tied in with production activities, the plans of the entities, community housing construction, vocational training and refresher courses for workers in self-managed enterprises or in cooperatives.

In substance, the ultimate purposes of the fund must respond to the economic development of the South and part of the logic of planning in the industrial, agricultural, and services sector; for this purpose it can also intervene in the enterprises which are being transformed into self-managed enterprises and cooperatives, as well as in the restoration of enterprises, as part of the logic of planning under the conditions of real decisive [decision-making] control by the workers in their management role.

On the basis of these purposes, the fund therefore demands a majority presence of the labor union in the policy management body which does not exclude but, in parallel, sustains forms of direct intervention and dialectical confrontation with the various national and regional planning instances. The management body (board) will periodically have to report on the fund's activities so that the union, on the various levels and with the support and control of the workers, will be able to evaluate and judge the correctness and correspondence of the use of financing allocated in relation to the purposes of the fund and so that it may look into the results actually achieved.

The fund will be financed with a contribution from all employed workers and only from them, amounting to 0.50 percent of the wage, through a simplified procedure, such as, for example, in the form of a fixed amount corresponding to some major tax bracket.

The law will have to determine which ones among the public financial institutions existing at this time meet the requirements that are most suitable for the attainment of the fund's purposes. The law will have to designate the time frame (for example, a minimum of 5 years from the date of contribution) for reimbursement which may possibly be requested, the interest to be given to the workers on the basis of the general averages, the evaluation guarantees for retirement and welfare purposes. The funds will experimentally be evaluated on the basis of the above-indicated criteria also regarding proper adjustments to be made.

Thesis C

By establishing the fund we intend to launch a new experiment in industrial democracy which would permit specific forms of worker participation in the economic processes within a planning framework.

A first requirement here involves the acquisition of the necessary public and labor union control guarantees. This can be accomplished by providing for the following:

The establishment, under the IMI [Italian Credit Institute] of an executive agency of the fund;

The establishment of a committee for providing direction and control with a structure at least equally distributed among labor union representation, chaired by the president of the IMI or a person appointed by him.

This committee would exercise all of the control and proposal powers together.

Regarding the ultimate purpose of the fund--after confirmation of its exclusive destination for the South--both through production activities and through employment support--we can provide for its specific employment through actions in support of cooperative and self-managed initiatives. These first indications regarding the ultimate purposes will be made up of the lessons learned in the past and the proposals that will come from the debate with the workers. The fund will be established through a loan from employed workers equal to 0.50 percent of the wage amount and will run for 5 years. Its return, with interest, will be guaranteed by the federal government.

Thesis D

Weak opposition developed in July within the union, along with a strong protest among the workers, against the summit-style and subordinate character of the choice made by the CGIL-CISL-UIL Federation for the fund regarding the 0.50 [percent withholding] from wages.

After several months now the joint-management ideology which inspired that decision, appears more evident and there is a more serious danger of turning it into the impossible replacement for a direct labor union commitment so that public and private investments would indeed be shifted to the South.

This is why we proposed the abandonment of the withholding from the employed workers and the opening of confrontation between the workers and throughout the country in order to come up with more effective and generalized decisions regarding public intervention aimed at solidarity with the cooperative and self-managed initiatives in the South.

Chapter III. Problems and Choices for Labor Union Democracy

Redefining the strategy of the labor union, basing it on a vaster consensus of workers, presupposes some basic reflection on a growth which would be substantial regarding labor union democracy. Besides, if the labor union does not have a democratic life, this will degrade the general level of democracy throughout the country and will wipe out the labor union's political commitments to the renewal of society's democratic structures.

A difficulty has come to light in recent times in relations between the union and the workers and that difficulty has reached moments of real crisis. It certainly has multiple causes which range from errors used in the method of decision-making on the various labor union management levels all the way to serious shortcomings in the formation and involvement of the workers during all phases of disputes and political confrontations in which the union is engaged, to real distortions in the consultation of the workers, when all of the workers in the particular shop, regardless of their special field (technicians, clerical employees, management personnel, or medium-level cadres) are not involved together, or situations where unemployed and

underemployed workers, seasonal laborers, including many young people and women, are confined to the sidelines of union action.

Overcoming this difficulty and these moments of pressure is a job that has been assigned to the labor union movement's capacity to conduct--around its own unifying demand drive--a revival of the organized participation of the workers and a gradual recomposition, within the union, of those strata of workers who feel excluded from it; but this also calls for a rigorous definition of some lines of conduct and specific norms of behavior within the union and the adoption of concrete measures aimed at the renewal of its structures and in the decision-making process.

It is necessary to eliminate the causes of the serious crisis which has arisen in relations between the union and the workers, especially in recent times.

Specific attention for this purpose must be devoted on a priority basis to the following fields of action.

1. Union's Structural Setup

Among the shortcomings which emerged recently, one very serious one is the delay in implementing the organizational reform of the United Convention of Montesilvano on 5-7 November 1979.

Overcoming any tendency toward reduction or deviation, it is important to grasp--in their full significance and their completeness, although within the scope of necessary gradual approach--all of the measures outlined at the Montesilvano Convention, implementing all of the five organizational levels provided for here. The next congresses of the three confederations can and must constitute a big opportunity for implementing the action phase in order to translate it into big and strong results. But much can be done starting right now.

The following commitments today assume fundamental importance:

(a) Developing in depth the political and organizational reasons behind the signs of discomfort and difficulties which are being registered among the delegates and the factory councils and among the latter and the workers; extend the councils where they do not exist. The council of delegates remains fundamental when it comes to assuring the action of the workers in labor union decisions and as the basis of the united process; but, in order to adapt it to the complex requirements of daily labor union politics, it is necessary to enable them to improve their action regarding problems of work organization also with respect to the more complex sector and territorial policies and therefore to participate, in the proper form, in an effort which will be projected outside the factory. We must also take action on the points outlined at Montesilvano and aimed at furnishing a "framework of democratic rules" for the life and operation of the councils, specifically spelling out also the self-regulating norms provided for here.

It is thus necessary to confirm and extend the council experience, relating it to the conditions and requirements of current reality. The representative nature of the homogeneous group delegates remained basic but we are going to look for extra room, contributions, and vaster coordination in daily production activities. At the same time (in line with the specifications contained in the Montesilvano

document) he must also come up with adequate responses to all those realities in which--precisely because of certain characteristics of work organizations--it would be a good idea to identify also homogeneous production areas in which we could elect more than just one delegate. The delegate's mandate will be verified periodically. Every concept and every practice of the council of delegates that is divorced from all of the workers together in fact generates an exclusion of workers from the decision-making process. The council of delegates, on the contrary, is the leading body for the choices of all workers, spelled out through participation. This imposes full responsibility upon all delegates in relations with the homogeneous group whose expression they are and this includes participation in the activities of the council which must propose, to the homogeneous group, the replacements, through elections, of the delegate who may have been absent repeatedly here it is also necessary to check with the territorial worker category structures on the utilization of labor union leave of absence granted exclusively for labor activity purposes.

The executives of the delegate councils cannot represent a restricted level endowed with decision-making powers which would cut off the delegates and the workers; instead, their functions are to organize participation and guarantee the execution of decisions collectively adopted;

(b) Determine the conditions--through the next congresses--for the elimination of provincial structures and the construction of territorial (local government) structures in terms of organizations and federations. The territorial structures constitute one of the links--together with the regional ones--in labor union policy and action.

(c) Promote the effective and coordinated construction of zone councils by 31 December 1981, capable of putting up a united presence on the territory and creating a possibility for the delegate council to go out of the factory or company and to perform a fighting role, with broad participation, in the territory, capable of developing a new relationship between the employed and the unemployed, the young, the seasonal laborers, and those in vocational or decentralized jobs as well as retirees.

In linking up with the effort to decentralize the structures of each organization and of the federations, the CUZ [United Zone Council?] are in line with the labor union's need for creating structures for itself that will link up with the strategy lines which it pursues, basing them on more extensive participation.

2. Questions of Labor Union Operation

Limitations and distortions are manifesting themselves in labor union life on all levels in terms of specific labor union functioning.

Participation

Participation must be understood and practiced not as a concession to democracy but as a necessity of the labor union. Real participation in decisions must be considered as a matter of fact a right and duty of the workers.

Through participation, the working class consolidates the self-government of its own strength, aimed at reform objectives, taking care of the need for selecting the

priorities and objectives and, in the proper places, helping to decide the forms of struggle.

It has turned out in practice that not all workers are identified with labor union representation and that not all of the workers therefore consider themselves equal regarding the decisions of the labor union with respect to which they intend to exercise their rights. To establish the principle of equality of all workers, no matter to what special field they belong, as well as the free exercise of their right of participation and confrontation, it is necessary to adopt appropriate criteria and rules to the advantage of all workers on the basis of equal votes for every individual worker.

Decision-Making Process

The difficulties are emerging in an ever more marked fashion at moments when decisions must be made. At such a moment, as a matter of fact, mediation--as the fundamental instrument for constantly leading the movement toward unity--often becomes the dominant concern, thus causing an unacceptable impoverishment of the dialectic and depriving the decisions made on the various levels of the federation of their representative nature. On the other hand, the alternative to mediation cannot be the acritical acceptance of all the positions which emerge from the debate and the confrontation. This would inevitably lead to the radicalization of positions and that would remove the possibility of a unity-oriented synthesis.

It is therefore necessary to introduce new instruments and new procedures of behavior in order to increase participation in the decision-making processes and to enhance the effectiveness and representative nature of the successes produced by them. In this respect, we must resolutely increase the factors of debate and consultation among the workers, such as they have been provided for the assumption of decisions by the labor union structure. These moments--which specifically must guarantee the exercise of decision-making power by all workers--must become a standard custom of the union in the council. They call for accurate preparation both for the identification of potential options and to arrange adequate information instruments for the workers; they furthermore must provide, as standard practice, the use of open or secret balloting as an instrument of the expression of the collective will.

Worker and Labor Union Cadre Participation in Demand Platform Drafting and Conduct of Negotiations and Direction of Disputes

It is necessary to restore clear standards of behavior in the preparation of disputes, in the conduct of negotiations, and in the operational direction of disputes promoted by the labor union. In particular, all disputes--especially those of general significance, such as those which directly commit the United Federation to a confrontation with the government or with the confederations of employers--must be prepared from the drafting of a platform, in which the objectives are submitted for approval by the labor union organs and consultation of the workers (through national assemblies, conferences, meetings, etc.) who are involved in the contents of the various individual disputes. The contents of the approved platform will then be communicated to all territorial, worker category, and factor structures, directly involved in the dispute, and verification meetings will be held on them. To conduct labor union negotiations, the leadership bodies of the labor union structures will provide for the formation of delegation which will be representative of the various organizational

establishments involved and which will be given primary responsibility in submitting, to the union's leadership bodies, their evaluations of the progress of negotiations and any possible conclusive assumptions. The delegation for negotiations is pledged to represent the union's leadership bodies during the various phases of worker consultation up to the moment of the approval of any understandings which might possibly be arrived at ⁱⁿ the assemblies of workers involved. Regarding negotiations which directly involve the United Federation, the federation's steering committee will have to deliberate on the makeup of the delegation for the negotiations, identifying its national and territorial structures which must be represented there, according to the topics which are at the focus of the dispute or the confrontation. Cases where the dispute implies the opening of a confrontation with the government and in particular with the executive branch (national or regional), whose solutions must definitely be approved by the elected assemblies, it is necessary for the federation to arrange for adequate confrontations with the competent commissions of the elected assemblies. If necessary, this confrontation will be extended to the political forces. The delegation for negotiations, elected by the federation's steering committee, will be responsible for holding these confrontations, as well as the initiatives after the possible achievement of an agreement, dealing with the initial draft and the approval of legislative measures which can follow from this for the definition of administrative and operational measures that may be necessary to achieve the effective implementation of the labor union accord and the laws.

Forms of Struggle

They must to the maximum extent take into account the need for involving the largest number of workers and producing a consensus and support around the struggle of the workers. They must be checked out gradually in the course of the development of the disputes for any possible adjustments. The need for struggles that will not be of short duration, the organized form and the time frame likewise prove to be by far the most productive ways of handling this.

Worker Assembly

For debates, consultation, and decision-making, the worker remains fundamental with respect to current experiences;

The worker meeting however must be greatly improved, both in the way in which it is conducted and in terms of the times and methods of development. In many cases, the meeting--either due to lack of participation or due to shortcomings in preparation and handling which can facilitate sectarianism and prevarication--does not permit full expression and exact definition of the substance of the various decision-making orientations. Within the context of measures which tend to guarantee, during the meeting full exercise of democracy, it is necessary better to define the mechanisms, including the formal ones, with which to summon the meeting and to arrive at decisions (linked between detachment meeting, group and general meeting; nature and duration of reports and remarks; real time reserved for debate, avoiding any form of prevarication and monopoly on the part of just a few; criteria for voting on decisions, etc.).

On questions dealing with routine union activities, reasons of a political and practical nature advise us to retain the practice of open voting by a show of hands. But on questions which involve major choices, decisions of collective significance or particular delicacy, we must provide for the introduction of secret voting.

Referendum

By way of exception, given the nature of the choices to be made, and in those situations where the labor union representation does not have the necessary legitimate status (because, in that case, other instruments would have to be adopted), it may be useful to resort to the referendum.

It is obvious on the other hand that the referendum can be held only in those cases where topics suggested for judgment lend themselves to being boiled down to a simplified choice (yes-no) on the part of the workers.

The peculiar form of democratic expression of the will of all workers can be experimented with above all in the individual work environments in line with that group of topics that, in a circumscribed manner, involve conditions for the utilization of the labor force and methods involved in specific labor union activities designed to improve them. On the other hand, it cannot be used in the case of decisions which involve broader areas and sectors of workers concerned with the referendum and therefore with decisions relating to the opening and conclusion of negotiation and struggle phases.

We must on the other hand not rule out the possibility that, on other topics of a general nature, an opportunity might emerge for experimenting with forms of the referendum. In that case, retaining the limitations mentioned above, this prerogative will have to be recognized on all levels where structures of the federated agreement are present because they are the only ones authorized to bar a referendum.

Finally, it must be made clear that the decision to resort to the referendum must be made within the individual federated labor union structures, regardless of the level involved, with a qualified majority.

3. Nature of Union and Elimination of Signs of Bureaucratization

We must safeguard and extend the vastly representative nature of the labor union which would rule out any pretentious ideologizing classification. That nature is based on the free and conscious adhesion of the organized members and on the precious militancy of hundreds of thousands of delegates and militants. There is a need for reflection and action in various directions in this connection.

(a) Recruiting and Financing. Here we need a united team effort on the part of all structures, beginning with the individual job, eliminating any element of competition between the labor union organizations, in order to broaden the area of support for the CGIL, the CISL, and the UIL. Through vast unity-oriented drives, it is necessary to broaden the strength of the labor union especially among the young people, among the workers in the scattered and decentralized production areas, among the clerical employees and technicians. It is necessary furthermore to correct practices in the recruitment effort which smack of routine, of red tape, on the other hand stressing the value and significance of adhesion to the labor union.

While realizing the importance assumed by the delegation of power and its use to gather support and labor union contributions, it seems useful to launch a unity-oriented initiative which would verify the political and organizational relationship with the members, preventing the positive practice of delegation of power for the

financing of the labor union from becoming in reality a bureaucratic adhesion to the labor union organization.

We also need united initiatives which are aimed at overcoming--according to the decisions adopted on several occasions--areas which remain to be organized without a confederation decision, making this decision and thus guaranteeing a higher level of support from those workers to the individual confederations and the unity-oriented process in today's concrete reality.

All of this implicitly contains the need for active intervention to increase the union's funds, so that they will correspond to the tasks to be tackled. We thus find that two objectives are confirmed: the broadening of the area of organized members and the implementation of the commitment to raise the contributions to 1 percent of the earnings everywhere (base pay and wage freeze).

(b) Operation of Leadership Apparatuses and Bodies. Attention must be devoted to the phenomena which involve the entire labor union movement and which can--together with the shortcomings in the criteria of decision-making--contribute to red tape on the various levels. We will confine ourselves to indicating just a few topics here: the indications already provided by the February 1979 Assembly of the EUR regarding parity; the danger of an increase in the apparatuses, especially in correlation with the organizational reforms; the criteria and instruments for the operation of the leadership bodies of all confederations and particularly those of the united federation; the use of labor union withdrawals, especially those not refunded by the union; the dangerous increase in internal meetings and initiatives to the detriment of real contacts with the workers.

(c) Rules for Behavior during Disputes. It is necessary to determine whether and how we can handle the numerous points which tend to define a code or, better, "rules of behavior," which would permit the union during the formation, conduct, and conclusion of the various disputes. All of this is already part of a rather well consolidated practice which many people however consider to be insufficient and which therefore should be subjected to formal requirements.

4. Militant and Cadre Training

We must give the workers, the militants, and the cadres the knowledge and cultural background which will enable them effectively to make their own contribution. As a political subject for transformation, the labor union tends to tie action in the factory and in the sector in with a policy aimed at planning and economic and social transformation and it is encountering major difficulties in this effort. From this springs the need for a generalized cultural growth among its own forces and in particular among its militants and cadres.

Some requirements can be listed in that direction:

(a) Adoption of measures and instruments, also unity-oriented ones, which will make it possible to extend the sphere and effectiveness of labor union training, so as to guarantee a development of the knowledge, as well as the critical and participatory capacity of the workers, the militants, and the cadres. In this sense we must also study the advisability of paralleling the political platforms and the particular disputes with public and private counterparts by means of unity-oriented

labor union development activities which will provide the necessary knowledge and cultural background in order better to determine objectives and requests, to guarantee adequate application and control over results achieved;

(b) Boosting and more effective utilization of information instruments which the union has available or can have available;

(c) Expansion and improvement of labor union research instruments, in support of the drafting and participation process; this would be accomplished through the extension of methodological initiatives which, on the various levels, would tie in training and action with research efforts involving workers and militants, as well as through the greater use by the union, of specific instruments capable of furnishing the assets and potentials for action deriving from a permanent basic research.

Chapter IV. National Initiatives

We propose for debate by the basic assemblies and the meeting of general councils and delegates, the following initiatives:

National conference on active manpower policy;

Seminar and convention on the South;

National convention on wage structure reforms;

Aktivs on international policy document;

Conference on senior citizens;

Convention on problems of decentralization and hidden economy.

Regulation on Assembly Conduct Criteria

(1) To permit the broadest possible participation in discussion, we must first of all determine and consider the area of the meeting, providing, in addition to settings for big assemblies under special circumstances, above all a tie-in through detachment meetings, office meetings, workshop meetings, etc., and furthermore making sure that participation will be closely tied in with the workers of the area involved.

(2) For each meeting it is necessary to determine the agenda which must be communicated to the workers and structures involved at an early time. To permit maximum in depth development, it is a good idea to describe the issues involved for examination specifically. The discussion must be confined as much as possible to the issue under examination and we must avoid the danger of dispersion and distortion.

(3) At the start of the meeting, it is necessary to elect the chair who will direct the development of the debate, guaranteeing the broadest expression of opinions and their statement in the form of specific conclusions.

(4) It is necessary to regulate the conduct of meetings by fixing the time for introduction and the times for remarks on the basis of the overall duration of the meeting,

the number of participants, and the issue or issues on the agenda. The objective must be to permit the broadest possible participation in discussion, preventing a few people from monopolizing the discussion and thus forestalling any form of prevarication. Each participant's right to be able to express himself freely must be guaranteed to the fullest extent.

(5) It is necessary, at the end of every meeting, to come up with precise conclusions that will express the debate that has taken place. The conclusive synthesis, promoted and summarized by the chair, must contain, not only the number of workers involved in the area of the meeting and the number of workers actually present, but also the specific manifestations of the various orientations and the votes resulting from the balloting. The precise guidelines and results for the voting must be communicated to the workers and the structures involved.

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Steering Committee of CGIL-CISL-UIL Federation

Final Document

The Steering Committee of the CGIL-CISL-UIL Federation, which met on 4 November to examine the document proposed for discussion by the rank and file, preparatory to the National Assembly of General Councils and Delegates, to be held in Milan, on 15, 16, and 17 January 1981:

After broad discussion, adopts the document to be forwarded for debate by the workers and the labor union structures;

Charges the Federation's secretariat with preparing a synthesis of the documents in order to facilitate discussion among all workers;

Issues a mandate to a "study group," constituted for this purpose, to coordinate the organization of the broadest consultation throughout the country, in places of work and on the territorial level, also drafting a regulation for the conduct of meetings and the correct disclosure of opinions;

Permits all structures to keep tabs during the debate on the development of labor union initiative regarding the disputes under way and those to be started on the worker category and territory level.

In this context it is necessary to resume the confrontations with the government, not only on the overall economic and fiscal policy proposals but also on the labor market, the problems of public administration and the sector programs as well as the southern region programs. This initiative will furthermore be communicated to the business and industry counterparts and on the enterprise level with particular reference to the subject matter contained in the "first part" of the contracts, as well as generally with a view to the renewal of national labor contracts.

(Approved with one abstention.)

END OF

FICHE

DATE FILMED

13 Jan. 1981

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